

## Message Text

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44

ACTION AF-18

INFO OCT-01 ISO-00 OPIC-12 EB-11 COME-00 CIAE-00 INR-10

NSAE-00 RSC-01 FEA-02 INT-08 DODE-00 SPC-03 L-03

DRC-01 /070 W

----- 005972

R 061050Z MAR 74

FM AMEMBASSY COTONOU

TO SECSTATE WASHDC 5958

INFO AMEMBASSY LAGOS

LIMITED OFFICIAL USE COTONOU 0363

E.O. 11652: N/A

TAGS: ENRG, BGEN, DM, US

SUBJ: CAYMAN INTERNATIONAL INTEREST IN DAHOMEY

FOR AF/W - WYGANT

1. TED HARRIS OF CAYMAN INTERNATIONAL OF AFRICA VISITED COTONOU  
MARCH 3-4. DURING THREE MEETINGS WITH US, FOLLOWING POINTS  
EMERGED:

(A) RATHER THAN CAYMAN LETTER OF INTENT (LAGOS 647).  
MRGD GAVE CAYMAN WRITTEN 45-DAY "OPTION" TO BID FOR UNION  
CONCESSION. OPTION EXPIRED FEBRUARY 28, BUT HARRIS GIVEN  
INFORMAL ORAL ASSURANCE THAT OPTION WOULD BE EXTENDED FOR "TWO  
OR THREE WEEKS".

(B) CAYMAN HAS DEALT EXCLUSIVELY WITH HYDROCARBONS DIRECTOR  
PEREIRA DIRECTLY AND THROUGH LOCAL DAHOMEAN LAWYER AND "CONTACTS  
IN NIGERIA".

(C) CAYMAN CLAIMS TO HAVE UNNAMED BACKER PREPARED TO  
INVEST CAPITAL NECESSARY TO DEVELOP OIL RESOURCES, BUT IS STILL  
LOOKING FOR COLLABORATION OF ESTABLISHED OIL COMPANY. ACCORDING  
HARRIS, SUCH COMPANY ABSOLUTELY NECESSARY THESE DAYS TO OBTAIN  
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HARD-TO GET DRILLING RIGS, PIPS AND OTHER CRITICAL MATERIAL. IN

THIS CONNECTION, HE WONDERED IF UNION OIL MIGHT BE INTERESTED IN TRYING TO WORK OUT ARRANGEMENT WITH CAYMAN. WE TOLD HIM WE DOUBTED UNION WOULD HAVE ANY FURTHER INTEREST IN WORKING IN DAHOMEY.

(D) CAYMAN HAD NO DETAILS ON UNION OIL'S DEPARTURE, AND HAD NEVER SEEN DOCUMENTS DEINING TERMS OF UNION'S CONCESSION. HARRIS EVEN UNDER MISTAKEN IMPRESSION SHELL'S CONCESSION WOULD EXPIRE WITH UNION'S DEPARTURE.

(E) IN MEETING WITH LEWIS GREENWALD, UNION OIL'S LOCAL REPRESENTATIVE WHO PLANS LEAVE DAHOMEY OF MARCH 24, HARRIS WAS GIVEN OBJECTIVE APPRAISAL OF EVENTS LEADING TO UNION'S DECISION TO WITHDRAW FROM DAHOMEY. WHEN ASKED IF UNION PLANNING TO TAKE LEGAL ACTION AGAINST DAHOMEANS, GREENWALD SUGGESTED CAYMAN CHECK THIS OUT AT UNION'S LOS ANGELES HEADQUARTERS.

(F) CAYMAN FAMILIAR WITH GENERAL TERMS OF MRGD'S NEW PETROLEUM CODE, BUT WAS NOT AWARE OF ACCOMPANYING REGULATIONS MANY OF WHICH GAVE UNION OIL PROBLEMS DURING LAST FALL'S NEGOTIATIONS. THIS BEING SAID, HARRIS NOTED THAT CAYMAN HAD RECEIVED PROPOSALS FROM PEREIRA LESS HARSH THAN THOSE GIVEN UNION (E.G., SIGNATURE BONUS ONLY \$1 MILLION VERSUS \$2 MILLION FOR UNION).

(G) HARRIS, WHO ACTED LIKE FIRST CLASS BUSINESSMAN, CONCLUDED THAT NO FURTHER PROGRESS COULD BE MADE THROUGH INFORMAL CHANNELS, AND THAT TIME HAD COME FOR CAYMAN TO DO ITS HOMEWORK, AND PREPARE DEVELOPMENT PROPOSAL TO PRESENT MRGD WITHIN NEXT TWO WEEKS IF PROJECT LOOKS ECONOMICALLY SOUND.

2. HARRIS HAS HAD HIS EYES OPENED ON DIFFICULTIES ANY OIL COMPANY WILL HAVE IN CONCLUDING SATISFACTORY AGREEMENT WITH MRGD. HE RETURNS TO UNITED STATES THIS WEEK TO CONSULT WITH CAYMAN'S "PARTNER".  
ANDERSON

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Copy:** SINGLE  
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**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
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**Disposition Date:** 28 MAY 2004  
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**TAGS:** ENRG, BGEN, DM, US, CAYMAN INTERNATIONAL EXPLORATION CO  
**To:** STATE  
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